

**Summary of Eighteenth Negotiation Session on
New Water Supply Agreement**

Date of Session: April 26, 2004
Place: Santa Rosa Laguna Pumping Plant
Time: 9:00 AM – 11:30 PM

Parties Present and Represented:

Cities: Cotati, Petaluma, Rohnert Park, Santa Rosa, Sonoma and Windsor.
Special Districts: Sonoma County Water Agency, Forestville WD, Valley of the Moon WD, North Marin WD and Marin Municipal WD.

Attachment A contains complete list of attendees.

Status of Tasks re. Restructured Agreement Negotiation:

A principal task identified at the last negotiation session was the need for a forecast of expenses, source of revenue and resulting unit rates for the new funds being separated out in the new agreement.

Mr. Poole distributed a 14-page handout addressing this task, which contained:

- A three-year forecast of charges for each of the following four funds: Watershed Planning & Restoration, Water Management Planning, Recycled Water and Local Supply, and Water Conservation).
- Breakdown of costs by major cost center for each including funding sources.
- Detailed calc. sheets supporting each cost center (EIS Report, Fisheries Monitoring Studies and Restoration Projects, and COHO Broodstock Program/Hatchery M&E/Recovery Planning)
- Recap of Historical Watershed Planning Costs

Attachment B to this summary contains the three-year forecast portion of the information distributed.

Mr. Poole noted that although the sum of the rates for the four funds added up to \$103 for the FY 05-06, that most of the cost was already being collected in the form of the existing O&M charge or other on-going sources. He went down the list of four charges showing how these are taken into account and estimated the bottom line net increase over current costs to be about \$35/af or an 8% increase in overall SCWA rates. He said he would supply a parallel breakdown for FY 04-05 so that WAC could see a precise breakout of the net increase.

Mr. Nelson reported on the status of other task work. Virginia Porter said work on demand hardening calc. should be available in about two weeks. Mr. Poole said work was commencing on the Windsor agreements. Chris DeGabriele said his attorney would double check the Pledge of Revenues Section in his review.

Status of Talks re. Restructured Agreement Negotiation:

Mr. Nelson noted that second round sessions have yet to be held with Petaluma and Town of Windsor. MMWD is also scheduled.

Presentation of Draft 3 of Proposed Restructured Water Supply Agreement:

Mr. Nelson reviewed changes between Draft 3 and Draft 2 and in the course of the meeting, consensus was reached or corrections pointed out on a number of items. These are shown on Attachment C.

Mr. Poole said it is appropriate for the Attorneys to now review the draft agreement. Mr. Nelson said Draft 4 should be available in the middle of May.

Comparison of “List of 56”

A so-called list of 56 suggestions was developed from the public workshop process. Attachment D (as corrected by WAC at the April 26 session) shows a comparison of how these suggestions are dealt with in the proposed Restructured Water Supply Agreement. Virtually all are included directly or provided for in the new agreement. The WAC approved or called for changes to better respond to Items 2, 25 and 31 on the List of 56.

Follow-up Actions:

Follow-up actions decided by consensus of the group were:

- Conclude Round 2 of Negotiations w. individual parties.
- Prepare and circulate Draft 4 (expect will be available by mid May).
- SCWA/County to Draft new agreement(s) with Windsor.
- Devise/agree on how to deal with demand hardening (awaiting Santa Rosa Consultant’s analysis and suggested methodology).
- Reviews by attorneys of parties.

Next Restructured Agreement Negotiation Session:

Time and Date: 9:00 AM-12:00 PM, May 24, 2004
Place: Santa Rosa's Laguna Treatment Plant

Attachments:

- A. List of Attendees, April 26, 2004 Negotiation Session
- B. Forecast of New Charges
- C. Modifications/Corrections to Draft 3 Restructured Water Supply Agree.
- D. List of 56 Comparison

Attachment A

Water Advisory Committee Negotiation Meeting Short Minutes For April 26, 2004

Attendees: Miles Ferris, City of Santa Rosa
Virginia Porter, City of Santa Rosa
Mike Martini, City of Santa Rosa
Jane Bender, City of Santa Rosa
Terry Stubbings, City of Cotati
Janet Orchard, City of Cotati
Toni Bertolero, City of Cotati
Chris DeGabriele, North Marin Water District
Dennis J. Rodoni, North Marin Water District
Drew McIntyre, North Marin Water District
Randy Poole, Sonoma County Water Agency
Pam Jeane, Sonoma County Water Agency
Steve Simmons, City of Petaluma
Mike Bierman, City of Petaluma
Mike Ban, City of Petaluma
Mike Fuson, City of Sonoma

Al Bandur, City of Sonoma
Lee Harry, Valley of the Moon Water District
George Roberts, Forestville Water District
Ron Theisen, Marin Municipal Water District
Darrin Jenkins, City of Rohnert Park
Jake Mackenzie, City of Rohnert Park
Paul Berlandt, Town of Windsor
Matt Mullan, Town of Windsor
John Nelson, JONWRM

Public Attendees: Brenda Adelman, RRWPC
Bob Anderson, United Winegrowers
Jim Downey, Penngrove / Kenwood Water
Fred Soares, Southwest Neighborhood Alliance